

XMARK, Incorporated and the following Respondents

Notice of Intent to Invoke Administrative Sanctions and Emergency Cease and Desist Order

Date: July 1, 2004

Respondents: XMARK, Incorporated, XMARK Operating Company, XMARK Capital Corporation, XMARK Capital Corporation Muddy Boggy 1 & 2, Dick Dahlem, Sean Grady, and Steven Pyron all of Tulsa, Oklahoma and William R. Reinhart of Southlake, Texas, and Harold L. Hickey of Dallas, Texas

Allegations: Securities fraud, unregistered broker-dealer or agent and unregistered securities

Order: Notice of Intent to Invoke Administrative Sanctions and Emergency Cease and Desist Order alleged that respondents XMARK Capital Corporation and its agents made general solicitations to Kansas residents via phone calls and the internet offering an interest in XMARK Capital Corporation Muddy Boggy 1 & 2. XMARK, Inc. allegedly owns the lease to the land on which XMARK Capital Corporation Muddy Boggy 1 & 2 is located while XMARK Operating Company is the managing operator. It is alleged that XMARK Capital Corporation Muddy Boggy 1 & 2 is a fraudulent offering. Further, neither the offering nor the respondents allegedly selling the offering are registered with the Office of the Kansas Securities Commissioner.

Order to Invoke Sanctions

Date: August 9, 2004

Respondents: XMARK, Inc., XMARK Operating Company, XMARK Capital Corporation, Muddy Boggy 1 & 2 / a.k.a. XMARK Capital Corporation, Muddy Boggy 1 & 2, William R. Reinhart, Harold L. Hickey, Steven Pyron, Dick Dahlem, Sean Grady

Allegations: Securities fraud, unregistered broker-dealer or agent and unregistered securities.

Order: The Commissioner issued an Order to Invoke Sanctions Against Respondents as respondents failed to file a request for hearing within 33 days after service of the Notice of Intent to Invoke Administrative sanctions. The terms of the Order are:

Respondents XMARK, Inc., XMARK Operating Company, XMARK Capital Corporation, XMARK Incorporated Muddy Boggy 1 & 2 / a.k.a. XMARK Capital Corporation, Muddy Boggy 1 & 2, William R. Reinhart, Harold L. Hickey, and Steven Pyron were fined the amount of \$1,000 each. Respondents Dick Dahlem and Sean Grady were fined the amount of \$500 each.

Notice to Investors: If you are not a resident of Kansas and have been affected by actions that are similar to those described in this synopsis, you should consider contacting your state securities regulator for assistance. To locate your securities regulator, go to the [North American Securities Administrators Association](#) website. If you choose to contact your state securities regulator, please inform him or her of the action taken by the State of Kansas.